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J. LAURENCE LAUGHLIN.

THE general public have not fully realized, in our judgment, the important services rendered to the Bureau of Statistics of the Treasury Department by the intelligent, accurate, and scientific methods introduced and maintained by Mr. Worthington C. Ford. The graphic representations of the constituents of the currency, and of the treasury balances in the Monthly Summaries of Finance and Commerce,

are beautiful examples of cartography. These, however, are not the only reasons for admiration of the recent work of this bureau. Mr. Ford's correction of enormous errors in the figures of exports and imports has long been well known and appreciated. Such work is the result of the selection, for a technical office, of a man because of his special training and not because of political services.

THE French Chambers will be called upon during the present session to take action on the question of extending the charter of the Bank of France, which expires by limitation at the end of the present year. The minister of finance has already laid before the deputies a scheme for a renewal of the privileges of the bank for a further period of twenty-three years ending with the year 1920. The main features of this scheme follow very closely the lines of the unsuccessful *project* of 1891, which it will be remembered was withdrawn by the ministry for fear of defeat. Whether the present measure will stand any better chances of success is rendered at least doubtful by the absence of any substantial concessions either to the demands of the friends of free banking or to those of the socialists.

The most important provisions of the ministerial proposition, other than those looking to an increase in the number of the bank's branches and an increase in the services which the bank is to render as an agent of the treasury, are: an annual bonus equal to one-eighth of the rate of discount on the *productive circulation* of the bank, the cessation of interest charges on the advances made by the bank to the state (aggregating, together with a new advance of 40 million francs contemplated in the *project*, 180 million francs); and, lastly, an increase in the maximum limit of the bank's note circulation to five billion francs.

SINCE 1890 the movement to this country of securities held abroad was for a time very marked. Their sale here depressed the prices of securities in our markets, and added to the weight of the blow inflicted by the panic of 1893 on the value of bonds and stocks. Moreover, the proceeds of sales of the securities returned to us had to be remitted abroad either by bills of exchange based on an excess of exports, or by shipments of gold. In 1892 the excess of exports of merchandise was large, and consequently very little gold was shipped. In 1893 an excess of exports was changed into an excess

of imports ; hence gold was sent out to the amount of \$87,506,463. In 1894, the excess of merchandise exports rose to \$237,145,950 ; hence the gold exports fell again to almost nothing. In short, this country was suffering from the necessity of economizing in its purchases during a time of depression, and of stimulating the production of goods to be exported which would meet a debit in our financial account.

THE period of our economizing has been continued through 1896, with the result that foreigners are now in debt to us for exports which they have been obliged to take from us. The extent and effect of this movement in 1896 has been quite unparalleled in our commercial history. Never before in our history have the exports of merchandise shown an excess equal to the \$325,322,184 of 1896. We have been working hard in a time of great depression, and expending little ; for the imports were 200 million dollars less than in 1892. This is a most healthy condition of international trade, and provides a sound basis for future improvement. At a time when capital is skeptical of investment, we are actually putting the rest of the world in debt to us, and preparing the way for the coming of more foreign capital to be employed in our industries. When confidence returns, there will be no lack of capital seeking investment here.

THE decision at the polls in the elections of last November in favor of the preservation of the existing gold standard, taken with the extraordinary movement of exports, has had an effective influence in raising the net gold reserve of the treasury to about 145 million dollars. The failure of the crops in Argentine and India and the consequent increased demand for our breadstuffs from Europe had as a result not merely the rise in prices which benefited owners of these products, but it also aided in creating the enormous excess of exports. It is to be noted, however, that this phenomenal excess is caused not only by the movement of breadstuffs, but by that of manufactured goods as well. This is a significant matter, worthy of careful observation. The treasury, therefore, owes its increased gold reserve to the excess of exports thus created ; and it has retained here our own gold product, in addition to an excess of gold imports of \$46,023,594 due us from abroad. And inasmuch as our disturbed securities have ceased to come back, the payment on the financial account requires gold.

It is interesting, however, to note that this supply of gold has come into the treasury not by those methods which indicate a permanent return of confidence in our standard or in our monetary situation. Attention has previously been called in these pages to the action of the business community as illustrating its confidence, or distrust, in the existing situation. If it were believed that gold payments were permanently assured by the treasury, the banks would freely pay gold for custom dues, knowing that, in the unbroken circle of payments from the treasury to the public, the gold would come back to them. There is no reason for stopping the flow of gold into the treasury, if there is a certainty of its release and activity. The statistics of receipts by the New York custom house disclose that this certainty is not yet believed in by those most conversant with the monetary situation. From August 1895, and all through 1896, the treasury has received absolutely no supply of gold from customs-dues, which in the past have been reckoned as its necessary mainstay in maintaining its gold reserve.

The gold, being superabundant, has been deposited with the treasury mainly in return for United States notes (greenbacks). But these notes are immediately returned to the treasury for customs-dues, the percentage of receipts of United States notes at New York rising as high as 73.8 (September 1896). Indeed, the treasury is now receiving only United States notes and silver certificates; but, on the other hand, no gold nor gold certificates, and practically no treasury notes of 1890. The rise of the treasury gold reserve, therefore, is a mere accident due to the favorable condition of our international trade; and is not due to any permanent improvement in our currency situation. Any change which would upturn our trade conditions would restore to us the vexations as to the maintenance of the gold reserve by the treasury.

RECORD should be made of the very important conference of the business interests of the country at Indianapolis on January 12, 1897, upon monetary reform. In many respects it marks an epoch in our history; for no such non-partisan body of such high intelligence and power has ever before assembled for the purpose of correcting our monetary difficulties. Its membership was made up of delegates chosen by chambers of commerce, boards of trade, or commercial bodies, from the principal cities in all parts of the country. Its conclusions, there-

fore, could have had no bias due to sectional or political motives. The final action taken was as follows :

This convention declares that it has become absolutely necessary that a consistent, straightforward, and deliberately planned monetary system shall be inaugurated, the fundamental basis of which should be :

First, that the present gold standard should be maintained.

Second, that steps should be taken to insure the ultimate retirement of all classes of United States notes by a gradual and steady process, and so as to avoid injurious contraction of the currency, or disturbance of the business interests of the country, and, until such retirement, provision should be made for a separation of the revenue and note-issue departments of the treasury.

Third, that a banking system be provided which should furnish credit facilities to every portion of the country and a safe and elastic circulation, and especially with a view of securing such a distribution of the loanable capital of the country as will tend to equalize the rates of interest in all parts thereof. For the purpose of effectively promoting the above objects :

Resolved, That fifteen members of this convention be appointed by the chairman to act as an executive committee while this convention is not in session, with full powers of this convention. The executive committee shall have the power to increase its membership to any number not exceeding forty-five, and five members thereof shall at all times constitute a quorum of said committee.

The executive committee shall have special charge of solicitation, receipt, and disbursement of contributions voluntarily made for all purposes ; shall have power to call this convention together again when and where it may seem best to said committee to do so, and said committee shall continue in office with power to fill vacancies until discharged at a future meeting of this convention.

Resolved, That it shall be the duty of this executive committee to endeavor to procure at the special session of Congress, which it is understood will be called in March next, legislation calling for the appointment of a monetary commission by the President to consider the entire question, and to report to Congress at the earliest day possible.

Or, failing to secure the above legislation, they are hereby authorized and empowered to select a commission of eleven members, according to the rules and plans set forth in the suggestions submitted to the convention by Mr. Hanna, of Indianapolis, as follows :

ARTICLE 1. The commission shall consist of eleven members, to be named by the executive committee appointed by this convention. The executive committee shall have power to fill vacancies in the commission, as they may occur.

ARTICLE 2. The first meeting of the commission shall be held at a time

and place to be designated by the executive committee of this convention in a call to be issued therefor; and, at such meeting the commission shall organize by the election of such officers and the adoption of such rules and by-laws for its own government as may be agreed, by a majority of its members; and thereafter it shall be governed by such rules and by-laws subject to these articles.

ARTICLE 3. All rules and by-laws of the commission and all its proceedings shall be directed toward the accomplishment of the objects of its creation, which is to make a thorough investigation of the monetary affairs and needs of this country, in all relations and aspects, and to make appropriate suggestions as to any evils found to exist, and the remedies therefor; and no limit is placed upon the scope of such inquiry or the manner of conducting the same, excepting only that the expenses thereof shall not exceed the sums set apart for such purpose by the executive committee.

ARTICLE 4. The executive committee of this convention shall use so much of the voluntary contributions made to it as may be available for that purpose, to defray all necessary expenses of the commission, and shall notify the commission from time to time of the amount so available, in order that it may regulate its expenditures accordingly, and no liability shall attach to said committee, or to this convention, beyond the amount so notified.

ARTICLE 5. When the labors of this commission have been completed as far as practicable, the executive committee, if it deems it advisable, shall issue a call to bring this convention together again at a time and place designated in such call; and at the meeting so convened the commission shall make report of its doings and suggestions in such manner and form as it shall deem best adapted to present the same to this convention and its members for action; and if legislation is deemed advisable, shall accompany such report with a draft of such bill, or bills, providing for such legislation.

Resolved, That all resolutions and communications as to methods of currency reform which have been presented to this convention, be referred to such commission when formed.

SPECIE RESUMPTION IN RUSSIA.

THE issue of the ukase in February 1897, adopting the scheme of Finance Minister Witte, is the end of a series of events running back to 1843, and mainly concerns the redemption in specie of Russian paper money. The present paper money dates from the "credit-ruble" of 1843, which, until very recently, has been the obligatory tender for all debts. In theory these paper rubles were redeemable, on demand, in specie (then silver), but in fact they have never been so redeemed.